

TNK-BP Spending \$12Bln To Develop Yamal Oil Fields

By [The Moscow Times](#)

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TNK-BP plans to spend \$12 billion to develop four fields in the Arctic Yamal region as it invests in new projects to offset declines at some of its older deposits.

The fields, which hold about 2.7 billion barrels of resources, will likely add about 15 million tons, or 300,000 barrels a day, of output in the early part of the next decade, Tom Quigley, vice president in charge of the Yamal Oil project, said Wednesday.

The oil producer is investing in remote fields to counter declines at its biggest fields in western Siberia. It set a target to boost output by 1 percent to 2 percent a year, also through expansion outside Russia.

The company plans to start production at the Suzunskoye field first in 2016 and "rapidly" move to a plateau of 5 million tons of annual output the following year, Quigley said.

Output of heavy oil from the Russkoye field will begin in 2017 and reach plateau levels of 7.5 million tons a year by 2019 or 2020, Quigley said. The field development plan assumes 10 percent recovery rates, which TNK-BP will attempt to double with technology, Quigley said.

Oil from both the fields will likely be pumped into Russia's East Siberian Pacific Ocean pipeline, which supplies Chinese and Asian Pacific markets, TNK-BP vice president Viktor Blagoveschensky told journalists. The heavy oil from the Russkoye field meets Russian pipeline operator Transneft's standards and can be placed in the system, he said. The low-viscosity oil is unlikely to depress the quality of the ESPO blend due to its comparatively small volume, Quigley said.

Tagulskoye and Russko-Rechenskoye are to start producing in 2019, Quigley said.

In the future, TNK-BP will continue to explore for oil in the region. The company has eight exploration licenses in the Suzun area, Quigley said.

TNK-BP has half of the Gazprom Neft-led Messoyakha field, which is also in the Yamal region. The venture developing that field aims to spend \$17.3 billion, producing a peak of 16 million tons of crude a year in 2024, according to a Gazprom Neft presentation.

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